<u>Listing of Claims:</u>

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- 1. (Currently Amended) A magnetic core comprising at least one gap in a magnetic path and a permanent magnet inserted in the gap, said magnetic case having wherein said magnetic core has an alternating current magnetic permeability at 20 kHz of at least 45 or more in a magnetic field of 120 Oe under application of direct current and a core loss characteristic of not more than 100 kW/m^3 or less under the conditions of at 20 kHz and a maximum magnetic flux density of 0.1 T.
- 2. (Currently Amended) The magnetic core according to claim 1, wherein the magnetic core has an having initial permeability of at least 100 or more.
- 3. (Currently Amended) The magnetic core according to claim 1, comprising wherein the magnetic core comprises one of Ni-Zn ferrite or and Mn-Zn ferrite, and wherein the magnet is a bonded magnet comprising a rare-earth magnet powder and a binder.
- 4. (Currently Amended) The magnetic core according to claim 3, wherein the bonded magnet comprises the rare-earth magnet powder having has an average particle diameter of 0 pm to

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no more than 10 μm (excluding 0 μm) and the binder has a volume % of 5 to 30, vol%, and also has and wherein the bonded magnet has a resistivity of at least 1 Ω ·cm or more and an intrinsic coercive force of at least 5 kOe or more.

- 5. (Currently Amended) The magnetic core according to claim 1, wherein the permanent magnet is a bonded magnet comprising a magnet powder dispersed in a resin [[,]] and has a resistivity of at least 0.1 Ω·cm or more, and wherein the magnet powder having has an intrinsic coercive force of at least 5 kOe or more, a Curie point Tc of at least 300°C or more, and an average particle diameter of not more than 150 μm or less.
- 6. (Original) The magnetic core according to claim 5, wherein the magnet powder has an average particle diameter of 2.0 to 50 μm .
- 7. (Currently Amended) The magnetic core according to claim 6, wherein the resin content is <u>at least</u> 10 vol% or more.
- 8. (Original) The magnetic core according to claim 6, wherein the magnet powder is a rare-earth magnet powder.

- 9. (Currently Amended) The magnetic core according to claim 6, wherein a molding compressibility of the magnetic core is at least 20% or more.
- 10. (Currently Amended) The magnetic core according to claim 6, wherein the rare-earth magnet powder is used for the bonded magnet and further comprises one of a silane coupling agent or and a titanium coupling agent.
- 11. (Original) The magnetic core according to claim 6, wherein the bonded magnet has anisotropy due to magnetic field orientation during production thereof.
- 12. (Original) The magnetic core according to claim 6, wherein the magnet powder is coated with a surfactant.
- 13. (Withdrawn-Amended) The magnetic core according to claim 6, wherein the permanent magnet has a center line average roughness of not more than 10 μm or less.
- 14. (Currently Amended) The magnetic core according to claim 6, wherein the permanent magnet has a resistivity of at least 1 Ω cm or more.

- 15. (Original) The magnetic core according to claim 14, wherein the permanent magnet is produced by die molding.
- 16. (Withdrawn) The magnetic core according to claim 15, wherein the permanent magnet is produced by hot press.
- 17. (Currently Amended) The magnetic core according to claim 6, wherein the permanent magnet has the \underline{a} total thickness of not more than 500 μm or less.
- 18. (Withdrawn-Amended) The magnetic core according to claim 17, wherein the permanent magnet is produced from a mixed coating of a resin and magnet powder by a film making method. 7 such as a doctor blade method and printing method.
- 19. (Withdrawn-Amended) The magnetic core according to claim 17, wherein the permanent magnet has a surface glossiness of at least 25% or more.
- 20. (Original) The magnetic core according to claim 6, wherein the resin is at least one selected from the group consisting of polypropylene resins, 6-nylon resins, 12-nylon resins, polyimide resins, polyethylene resins, and epoxy resins.

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- 21. (Currently Amended) The magnetic core according to claim 6, wherein the surface of the permanent magnet is coated with one of a resin or and a heat-resistant coating having a heat resistance temperature of at least 120°C or more.
- 22. (Original) The magnetic core according to claim 6, wherein the magnet powder is a rare-earth magnet powder selected from the group consisting of SmCo, NdFeB, and SmFeN.
- 23. (Currently Amended) The magnetic core according to claim 6, wherein the magnet powder has an intrinsic coercive force of at least 10 kOe or more, a Curie point of at least 500°C or more, and an average particle diameter of the powder of 2.5 to 50 μm .
- 24. (Currently Amended) The magnetic core according to claim 23, wherein the magnet powder is a an Sm-Co rare-earth magnet powder.
- 25. (Original) The magnetic core according to claim 23, wherein the SmCo rare-earth magnet powder is an alloy powder represented by $Sm(Co_{bal}Fe_{0.15} to 0.25Cu_{0.05} to 0.06Zr_{0.02} to 0.03)$ 7.0 to 8.5.

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- 26. (Currently Amended) The magnetic core according to claim 23, wherein the resin content is at least 30 vol% or more.
- 27. (Original) The magnetic core according to claim 23, wherein the resin is at least one selected from the group consisting of polyimide resins, poly(amide-imide) resins, epoxy resins, poly(phenylene sulfide) resins, silicone resins, polyester resins, aromatic polyamide resins, and liquid crystal polymers.
- 28. (Previously Presented) An inductor component comprising the magnetic core according to claim 1, wherein at least one turn of coil is applied to the magnetic core according to claim 1.